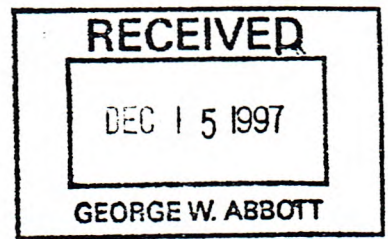


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December 12, 1997

Mr. George W. Abbott, Esq.
George W. Abbott, Chartered
P.O. Box 98
Minden, Nevada 89423

Re: Armstrong v. Church of Scientology of Texas, et al.
Our File No. SCI02-003

Dear Mr. Abbott:

After a review of the complaint in the referenced matter, I write to offer you and your client the opportunity to voluntarily dismiss the action without fear of facing a motion for sanctions under Rule 11 of the Federal Rules of Civil Procedure.

By signing the complaint, you have certified that the allegations contained therein are true and correct to the best of your knowledge and belief after reasonable inquiry. Any reasonable inquiry would have disclosed, and I am confident we will prove without question, that Mr. Armstrong was not a resident of Nevada when the complaint was filed. Mr. Armstrong was, and still is, a fugitive from California where he last maintained his residence and has been residing since that time in Canada. Filing this action in Nevada is a transparent attempt to avail your client of the benefits of Nevada's statute of limitation for defamation. We believe that this motivation will be quite evident to any court considering the matter.

It is also apparent that you have failed to perform even the most rudimentary investigation into the background of your client and the litigation between him and my client. If you had, you would know that the statements at issue are neither defamatory nor unprivileged. I suggest that you very carefully review the allegations of your complaint, the history of the litigation between our respective clients and the elements of the tort of defamation. I am confident that such a review will lead you to the conclusion that the claims made in your complaint are unfounded and should be dismissed.

Mr. George W. Abbott, Esq.
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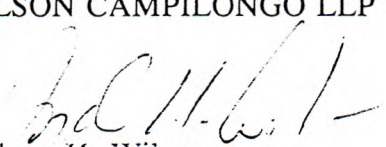
Perhaps the most egregious aspect of your complaint is that it revisits and attempts to recover for a "fifteen year[s]...course of conduct designed to destroy plaintiff Gerald Armstrong." I am flabbergasted that you could contend this in the face of the Settlement Agreement of December 1986, which expressly released all claims and which provided that the "slate was wiped clean." You should review the cross complaint filed by Mr. Armstrong in Church of Scientology International v. Gerald Armstrong, Marin County Superior Court Action No. 157680. That cross-complaint is based on facts virtually identical to those asserted in your complaint, and was disposed of on summary adjudication, thus barring future assertion of any claims arising out of the same set of facts under the principals of res judicata and collateral estoppel with which I assume you are familiar.

Further evidence of the lack of care taken in preparing and filing the complaint is found in your designation of Marin County Action No. 157680 as a "related case," something which even the most inexperienced attorney would realize is inappropriate. I recognize Mr. Armstrong's hand in the language of the complaint and can only conclude that you did not even review it before it was filed.

I hope you take this opportunity to fully analyze the facts and applicable law before continuing this ill-conceived and fatally flawed litigation.

Very truly yours,

WILSON CAMPILONGO LLP



Andrew H. Wilson